

**CORRECTED FISCAL NOTE**  
**SB 3118 - HB 3220**

April 3, 2006

**SUMMARY OF BILL:** Creates a personal health account (PHA) for paying a portion of a TennCare enrollee's health care expenses.

**ESTIMATED FISCAL IMPACT:**

On March 31, 2006, we issued a fiscal note which indicated that there would be an *increase to state expenditures exceeding \$125,000 and an increase to federal expenditures exceeding \$125,000. A more precise cost estimate was not possible because the TennCare Bureau had not provided any information to assist in the preparation of the fiscal note.* Based on information provided by the Bureau of TennCare, the estimated fiscal impact of this bill is:

**(Corrected)**

**Increase State Expenditures – Exceeds \$500,000**

**Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$500,000**

Assumptions:

- The PHA will be funded on a quarterly basis with an actuarially determined amount that is based on current fee-for-service average expenses. Such will not result in a net decrease in state expenditures.
- The Bureau of TennCare will incur an increase in expenditures for the development and implementation of a federal waiver which is estimated to exceed \$1,000,000 (\$500,000 in state funds and \$500,000 in federal funds).
- If the Centers for Medicare and Medicaid Services (CMS) does not approve of the program, the implementation costs will be 100% state funded which will result in an increase to state expenditures exceeding \$1,000,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

**SB 3118 - HB 3220 (CORRECTED)**